

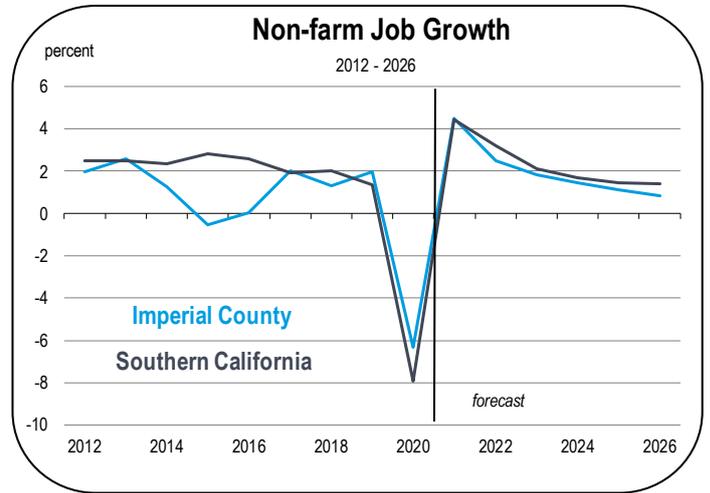
Imperial County Economic Forecast

Forecast Summary

- On an annual average basis, 3,300 non-farm jobs will be restored in Imperial County during 2021, representing most of the jobs that were lost in 2020.
- A full labor market recovery is expected by 2022.
- Employment gains in 2021 will be largest in agriculture, which will recover 1,100 jobs.
- More than 400 jobs will be re-gained in leisure services and retail trade in 2021.
- Over the entire 2021-2026 forecast period, government will generate the most new jobs. Government is the largest employment sector in Imperial County, representing almost a third of the labor market.
- The unemployment rate averaged 22.4 percent in 2020. It is forecast to average 20.1 percent in 2021.
- The Imperial County population is expected to grow relatively slowly during the forecast period.
- The median home price increased by 11 percent in 2020. Prices are expected to increase by another 8-10 percent in 2021.

Job Growth

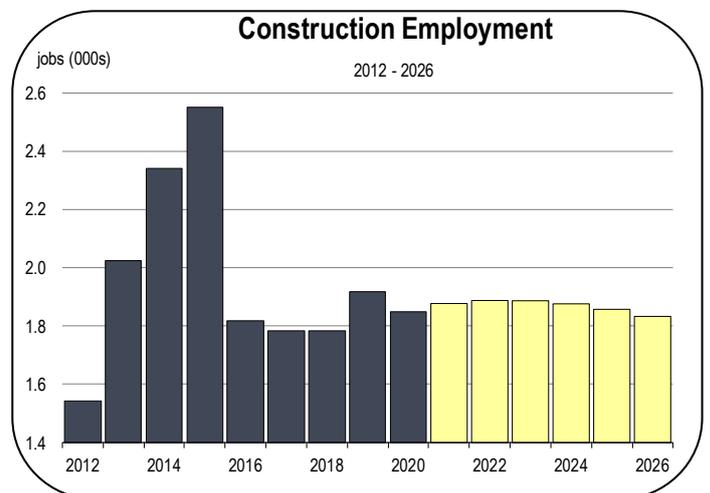
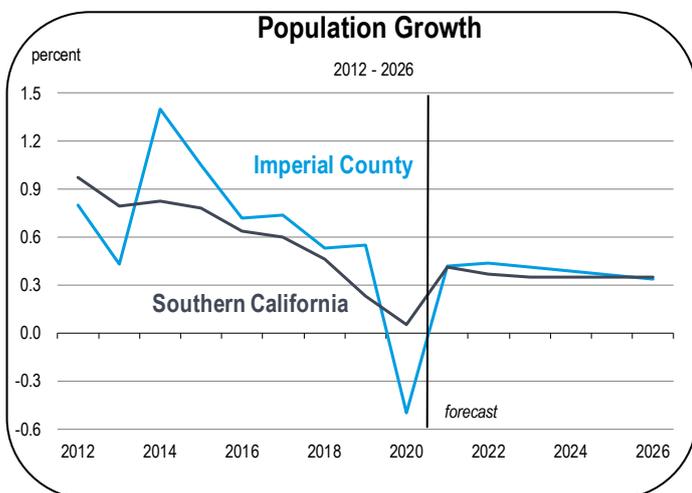
- Total employment in Imperial County will expand by 5.6 percent in 2021 on an annual average basis.



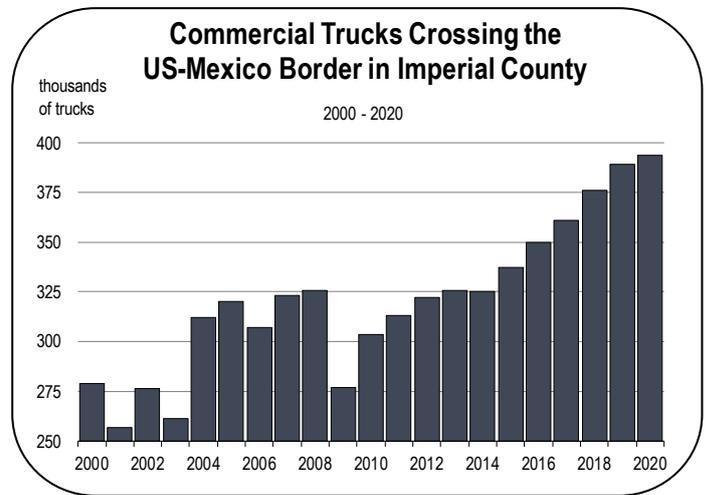
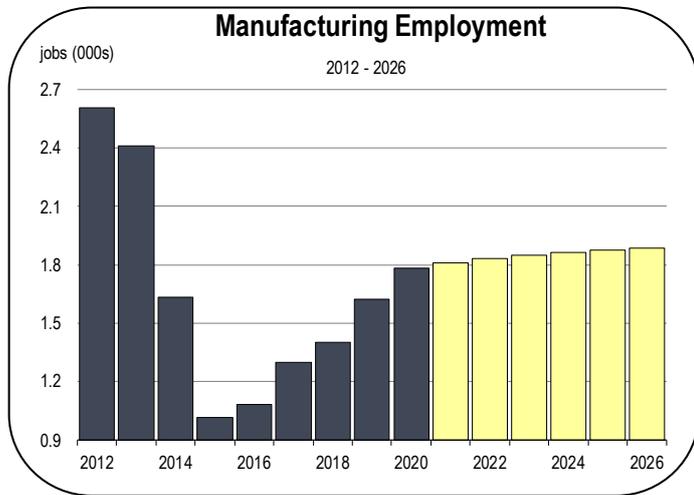
- Between 2022 and 2026, job growth will average 1.2 percent per year.

Construction Employment

- The Coronavirus Recession had a minimal impact on the construction industry.
- Over the forecast period, construction activity is expected to be low, and construction employment is not expected to expand meaningfully.



Imperial County Economic Forecast

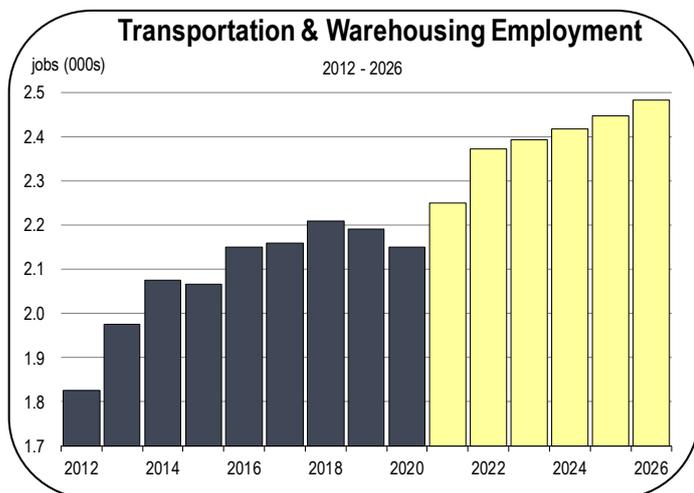


Manufacturing Employment

- Imperial County has a heavy concentration in food and beverage manufacturing, which turns agricultural commodities into finished foods and drinks.
- Because of its proximity to Imperial County’s agriculture industry, the manufacturing sector is not as vulnerable to offshoring as manufacturing operations in other California counties.
- Manufacturing employment is heavily dependent on local agricultural output, and agricultural output is expected to increase slowly over the forecast period.

Transportation and Warehousing Employment

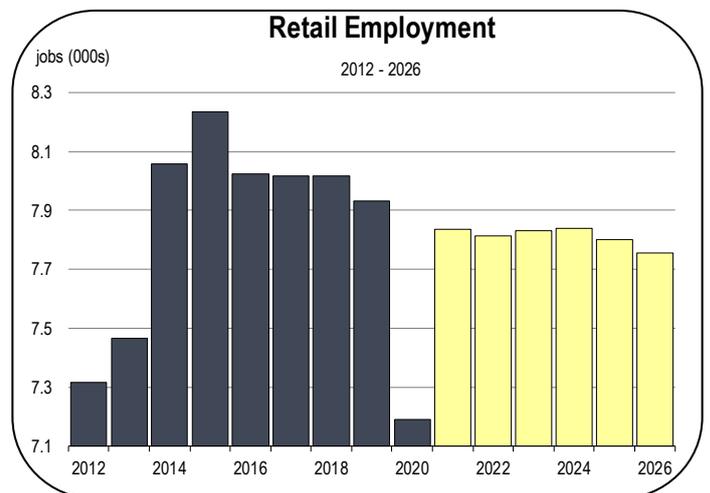
- Most transportation jobs in Imperial County are in trucking and warehousing firms, which transport and store physical goods.



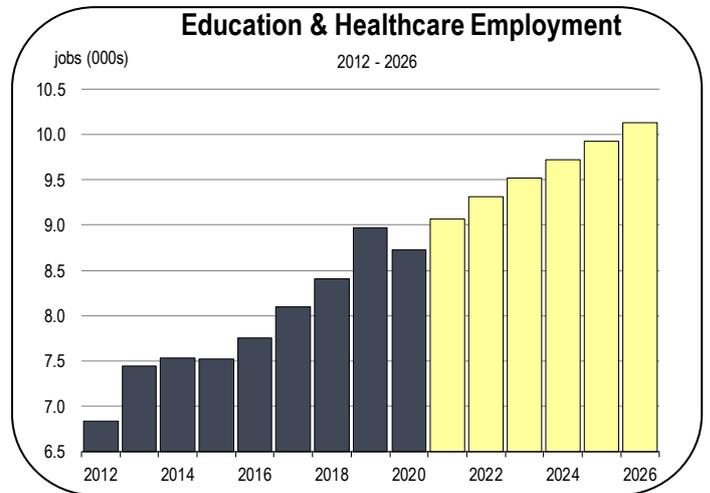
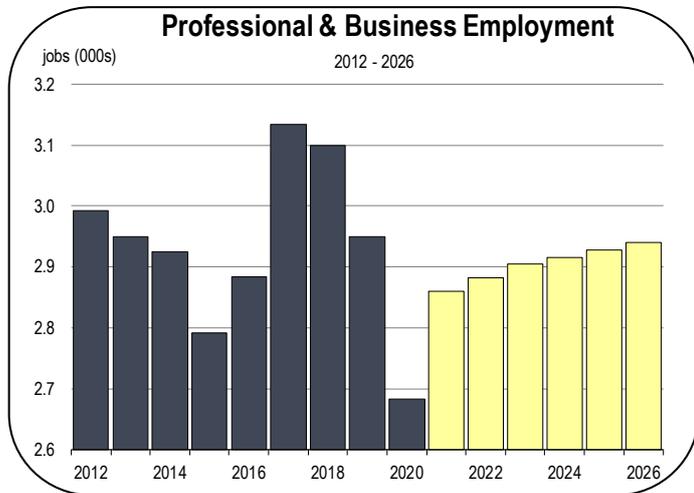
- Cross-border trade with Mexico is a prominent contributor to transportation jobs in Imperial County, and in 2020 there were more truck crossings than any year on record.
- Transportation and warehousing firms are forecast to generate 300 jobs by 2026 as direct-to-consumer shipping expands and as cross-border trade with Mexico increases.

Retail Trade Employment

- The Imperial County retail sector has a high share of jobs in department stores and retail super centers, including Walmart and Target.
- The retail industry has been stagnant for several years.
- The Coronavirus Recession led to approximately 700 job losses, but 600 these jobs will be recovered in 2021.
- The long term stagnation of retail jobs will resume in 2022, and is expected to persist for the foreseeable future.



Imperial County Economic Forecast



Professional and Business Services Employment

- In Imperial County, the professional and business services industry is primarily comprised of corporate security firms, building maintenance companies, and staffing agencies.
- Each of these subsectors had substantial reductions in jobs that were not able to be performed from home and were subject to strict social distancing regulations.
- Over the forecast period, growth in Imperial County will be slower than regions of California where the professional business services industry has larger numbers of workers in IT consulting and technical consulting (such as San Francisco and Los Angeles).

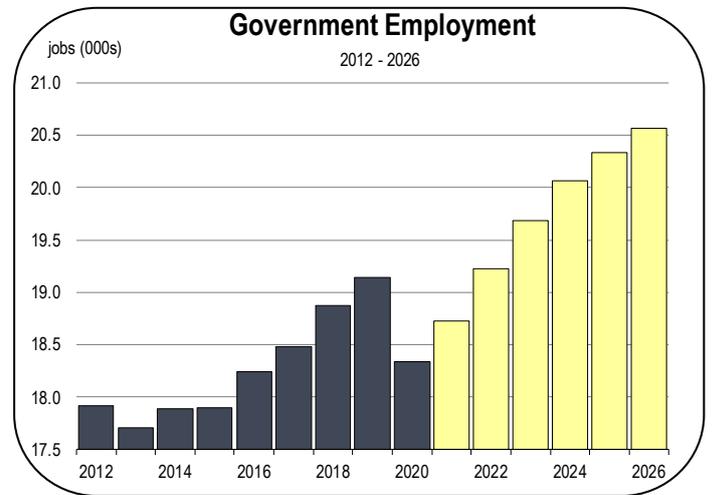
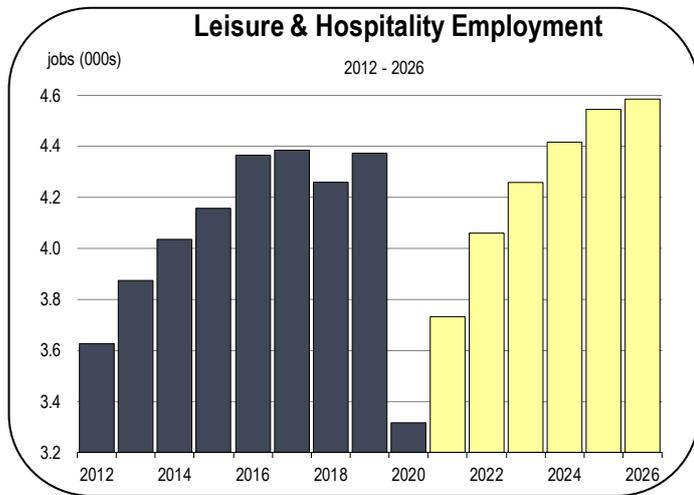
Private Education and Healthcare Employment

- Job losses in healthcare were minimal in 2020. In Imperial County, it was more common for healthcare organizations to issue part-time furloughs than full-time layoffs.
- In Imperial County, there are only 200 jobs in the private educational services industry (public schools are classified in the government industry).
- The largest healthcare employers are:
 - El Centro Regional Medical Center (500 - 1,000 employees)
 - Pioneers Memorial Healthcare District (500 - 1,000 employees)
 - Imperial County Behavioral Health (250 - 500 employees)
- Job creation in healthcare is expected to be substantial over the forecast period, outnumbering all other private-sector industries.



El Centro Regional Medical Center employs 500 to 1,000 workers across multiple facilities in Imperial County.

Imperial County Economic Forecast



Leisure and Hospitality Employment

- Hotels, restaurants, bars, catering firms, gyms, and other leisure/hospitality organizations were impacted by restricted business conditions more than any other type of company. More than 1,000 jobs were lost in 2020, a decline of 24 percent.
- 400 jobs are expected to be restored in 2021, with most of these jobs being created in the second half of the year.
- A full recovery is forecast for 2024.

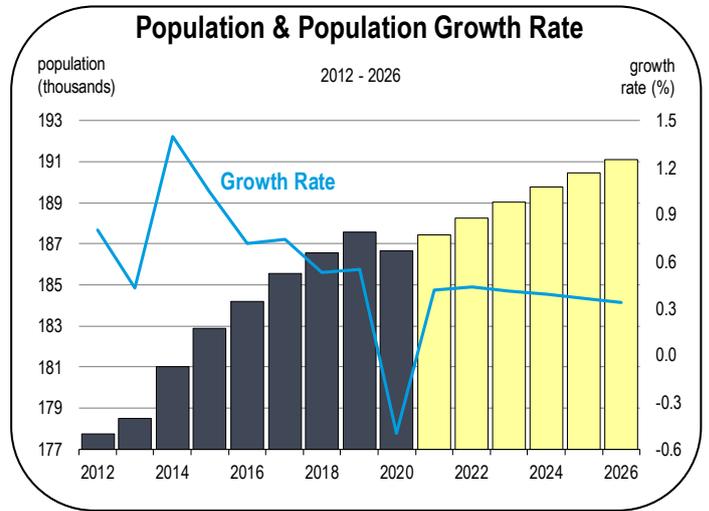
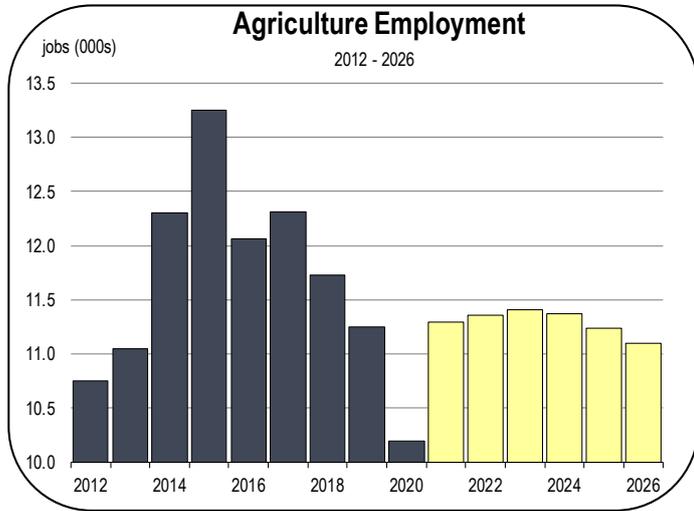
Government Employment

- Government agencies lost 800 jobs during 2020. Approximately 600 of these losses were at local schools.
- The largest state-level agencies are Calipatria State Prison and Centinela State Prison. Each has approximately 3,500 employees and houses 2,700 to 2,900 inmates. Neither facility had major layoffs in 2020.
- The largest federal agencies are the El Centro Naval Air Facility and U.S. Customs and Boarder Protection. Each employs 500 to 1,000 workers.
- Government agencies will generate approximately 2,000 new jobs by 2026, which is more than any other industry in Imperial County.



El Centro Naval Air Facility is among the largest employers in Imperial County. It is a primary location for air combat training and houses the Blue Angels, the air force unit that performs at events across the U.S.

Imperial County Economic Forecast



Agriculture Employment

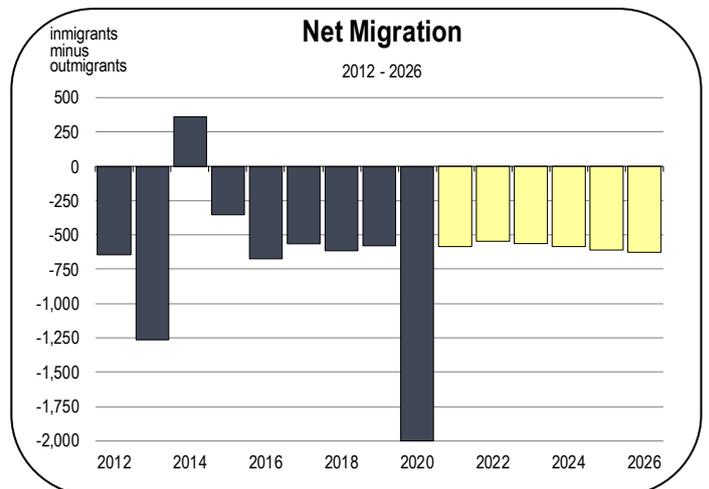
- The agriculture industry is the second largest employer in Imperial County, behind only the government sector.
- The county generates a high volume of agricultural revenue from cattle ranching (\$449 million in 2019).
- There are a handful of crops that routinely generate more than \$100 million in activity each year, including all types of lettuce (\$271 million in 2019), alfalfa (\$217 million), and broccoli (\$106 million).

- Employment levels should rebound swiftly in 2021, but the agriculture industry is not expected to generate a meaningful number of jobs during the remainder of the forecast period.

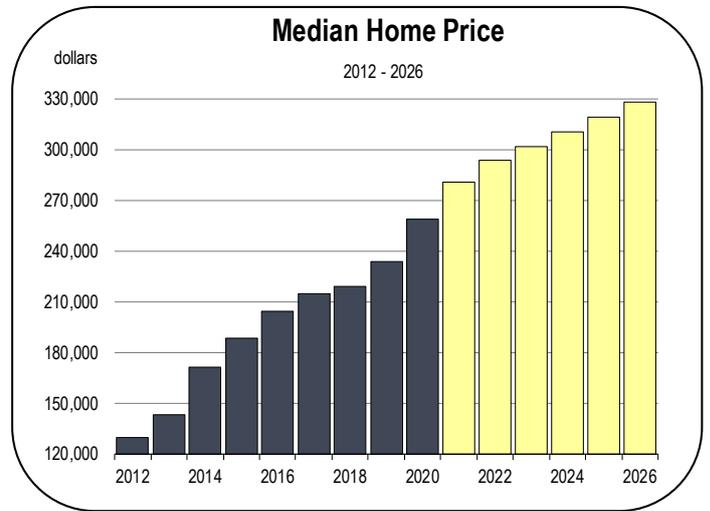
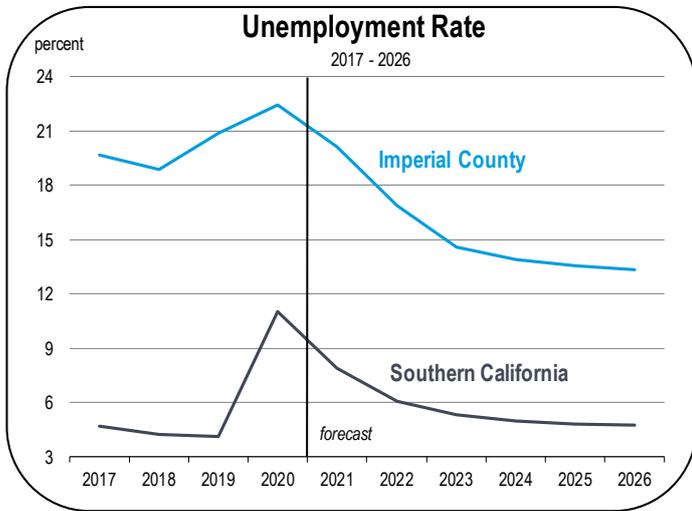
Population Growth

- The Imperial County population declined in 2020, the first decline since the 1960s.
- The population declined because net migration was sharply negative. The number of residents moving out of the county surpassed the number of people moving in by 2,000. The birth rate also declined and the number of deaths was higher than normal.
- Net migration is expected to be negative during the 2021-2026 forecast period and the natural increase (new births) will account for all population growth.
- The population will grow at an average rate of 0.4 percent per year, and the county will surpass 190,000 residents by 2026.

Top 10 Agricultural Commodities 2019	Value (\$ millions)
Cattle	449
Alfalfa	217
Leaf Lettuce	110
Broccoli	106
Head Lettuce	103
Bermuda Grass	84
Carrots	66
Sugar Beets	62
Romaine Lettuce	60
Spinach	68



Imperial County Economic Forecast



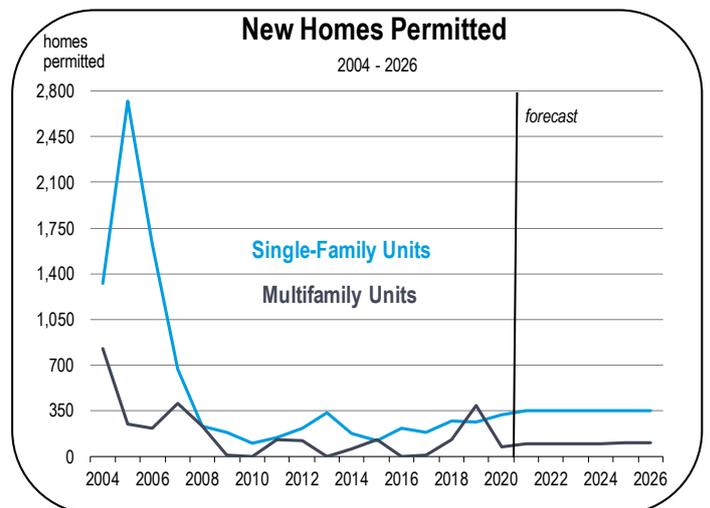
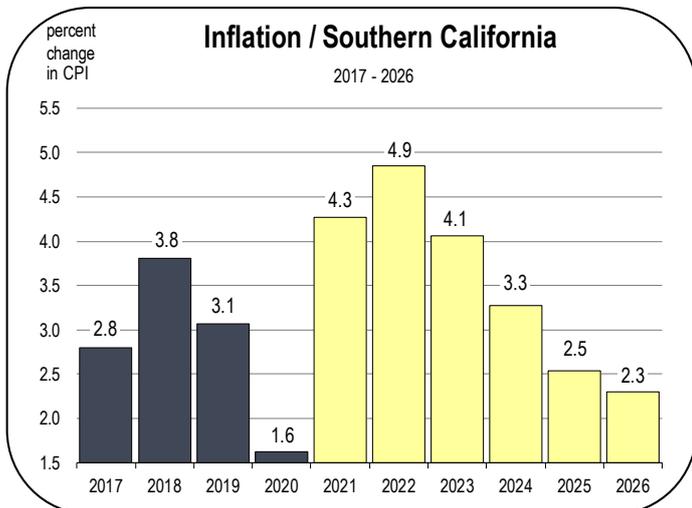
Unemployment and Inflation Rates

- The unemployment rate in Imperial County averaged 22.4 percent in 2020.
- The unemployment rate in Imperial County is always higher than the Southern California average because Imperial County has a larger share of agricultural workers (agriculture is a seasonal industry) and a lower share of workers with college degrees.
- The unemployment rate is expected to average 20.1 percent in 2021 and 16.9 percent in 2022.
- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged. Inflation soared in 2021 and is expected to remain elevated for several years.
- Ultimately, inflation will reduce the purchasing power of households and negatively impact consumer confidence, limiting the growth potential of the economy in 2022.

- However, inflation will begin to decelerate as supply chains and the labor force are restored by the second half of the forecast period, eventually falling below 3 percent.

Home Prices & New Housing Production

- The median home price was \$258,700 in 2020. Prices are expected to increase by 8-10 percent in 2021 and 4-5 percent in 2022.
- From 2015 to 2020, an average of 355 new homes were approved per year. Most were single family units.
- An average of 450 homes are expected to be built each year from 2021 to 2026, consisting mostly of single-family homes.
- One of the largest projects is expected to produce 180 apartments at 8th Street and Bradshaw Drive in the City of El Centro. Another project could construct 168 affordable units on N. Waterman Avenue.



Imperial County Economic Forecast

Economic Indicators

2015-2020 History, 2021-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (billions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (billions)	Inflation Rate (percent)
2015	182,907	49.6	-355	258	181	\$6.7	\$1.6	\$2.7	\$1.6	\$41,752	24.6	\$2.2	0.9
2016	184,215	49.8	-672	217	192	\$6.6	\$1.6	\$2.5	\$1.6	\$39,892	24.2	\$2.3	1.9
2017	185,576	49.9	-562	193	195	\$6.7	\$1.7	\$2.6	\$1.6	\$39,441	19.6	\$2.2	2.8
2018	186,561	50.1	-613	400	199	\$6.8	\$1.8	\$2.8	\$1.6	\$38,306	18.8	\$2.3	3.8
2019	187,586	50.3	-579	660	206	\$7.3	\$1.9	\$2.8	\$1.7	\$39,709	20.9	\$2.0	3.1
2020	186,653	50.6	-2,001	394	214	\$7.6	\$1.8	\$2.7	\$1.9	\$40,801	22.4	\$2.1	1.6
2021	187,434	51.0	-585	445	216	\$8.1	\$1.9	\$2.8	\$2.0	\$42,239	20.1	\$2.2	4.3
2022	188,249	51.4	-546	453	217	\$8.4	\$1.9	\$2.9	\$2.0	\$42,174	16.9	\$2.2	4.9
2023	189,027	51.8	-563	455	219	\$8.7	\$1.9	\$3.0	\$2.0	\$42,598	14.6	\$2.2	4.1
2024	189,763	52.3	-585	455	221	\$9.1	\$2.0	\$3.0	\$2.1	\$43,200	13.9	\$2.2	3.3
2025	190,449	52.7	-610	454	224	\$9.5	\$2.0	\$3.1	\$2.1	\$43,824	13.5	\$2.2	2.5
2026	191,096	53.2	-626	453	226	\$9.8	\$2.1	\$3.1	\$2.1	\$44,333	13.3	\$2.2	2.3
2027	191,708	53.6	-629	453	228	\$10.2	\$2.1	\$3.2	\$2.2	\$44,820	13.1	\$2.2	2.1
2028	192,294	54.0	-629	452	230	\$10.6	\$2.1	\$3.2	\$2.2	\$45,341	12.9	\$2.2	2.1
2029	192,857	54.5	-626	452	233	\$10.9	\$2.2	\$3.3	\$2.3	\$45,843	12.9	\$2.2	2.1
2030	193,391	54.9	-621	452	235	\$11.3	\$2.2	\$3.4	\$2.3	\$46,356	12.8	\$2.2	2.1
2031	193,873	55.4	-627	451	237	\$11.7	\$2.3	\$3.5	\$2.3	\$46,827	12.8	\$2.2	2.2
2032	194,313	55.8	-630	450	239	\$12.1	\$2.3	\$3.6	\$2.4	\$47,269	12.8	\$2.2	2.1
2033	194,710	56.3	-638	449	240	\$12.5	\$2.4	\$3.6	\$2.4	\$47,725	12.7	\$2.2	1.9
2034	195,077	56.7	-637	449	242	\$12.9	\$2.4	\$3.7	\$2.4	\$48,158	12.7	\$2.2	2.0
2035	195,411	57.1	-632	448	244	\$13.4	\$2.5	\$3.8	\$2.5	\$48,659	12.7	\$2.2	2.0
2036	195,730	57.6	-626	449	246	\$13.8	\$2.6	\$3.9	\$2.5	\$49,064	12.6	\$2.2	2.1
2037	196,027	58.0	-626	448	247	\$14.3	\$2.6	\$4.0	\$2.5	\$49,436	12.6	\$2.2	2.1
2038	196,306	58.5	-622	448	249	\$14.9	\$2.7	\$4.1	\$2.5	\$49,935	12.5	\$2.2	2.0
2039	196,560	58.9	-623	447	250	\$15.4	\$2.8	\$4.3	\$2.5	\$50,326	12.5	\$2.2	2.1
2040	196,798	59.3	-629	446	252	\$15.9	\$2.9	\$4.4	\$2.6	\$50,695	12.5	\$2.2	2.0
2041	197,030	59.8	-632	446	254	\$16.4	\$2.9	\$4.5	\$2.6	\$51,164	12.5	\$2.2	2.1
2042	197,246	60.2	-634	445	255	\$17.0	\$3.0	\$4.6	\$2.6	\$51,625	12.5	\$2.2	2.0
2043	197,453	60.6	-635	445	257	\$17.5	\$3.1	\$4.7	\$2.6	\$52,166	12.5	\$2.2	1.9
2044	197,649	61.1	-636	444	259	\$18.0	\$3.1	\$4.8	\$2.6	\$52,705	12.5	\$2.2	2.0
2045	197,822	61.5	-635	444	261	\$18.6	\$3.2	\$4.9	\$2.7	\$53,269	12.5	\$2.2	2.1
2046	197,987	62.0	-637	443	263	\$19.1	\$3.3	\$5.0	\$2.7	\$53,795	12.5	\$2.2	2.1
2047	198,149	62.4	-640	443	264	\$19.7	\$3.3	\$5.1	\$2.7	\$54,237	12.5	\$2.2	2.1
2048	198,303	62.8	-639	442	266	\$20.4	\$3.4	\$5.2	\$2.7	\$54,682	12.4	\$2.2	2.2
2049	198,462	63.3	-640	442	268	\$20.9	\$3.5	\$5.3	\$2.8	\$55,108	12.4	\$2.2	1.9
2050	198,624	63.7	-641	441	269	\$21.6	\$3.6	\$5.4	\$2.8	\$55,534	12.4	\$2.2	2.0

Employment Sectors

2015-2020 History, 2021-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	63.8	13.3	2.6	1.0	2.1	10.0	1.5	2.8	0.3	7.5	4.2	17.9
2016	62.7	12.1	1.8	1.1	2.2	9.8	1.4	2.9	0.3	7.8	4.4	18.2
2017	64.0	12.3	1.8	1.3	2.2	9.8	1.3	3.1	0.3	8.1	4.4	18.5
2018	64.0	11.7	1.8	1.4	2.2	9.8	1.3	3.1	0.3	8.4	4.3	18.9
2019	64.6	11.3	1.9	1.6	2.2	9.7	1.2	3.0	0.3	9.0	4.4	19.1
2020	60.2	10.2	1.9	1.8	2.2	8.9	1.1	2.7	0.2	8.7	3.3	18.3
2021	63.5	11.3	1.9	1.8	2.3	9.6	1.2	2.9	0.3	9.1	3.7	18.7
2022	64.9	11.4	1.9	1.8	2.4	9.6	1.2	2.9	0.3	9.3	4.1	19.2
2023	65.9	11.4	1.9	1.8	2.4	9.6	1.2	2.9	0.3	9.5	4.3	19.7
2024	66.6	11.4	1.9	1.9	2.4	9.6	1.2	2.9	0.3	9.7	4.4	20.1
2025	67.1	11.2	1.9	1.9	2.4	9.6	1.2	2.9	0.3	9.9	4.5	20.3
2026	67.5	11.1	1.8	1.9	2.5	9.5	1.2	2.9	0.3	10.1	4.6	20.6
2027	67.8	11.0	1.8	1.9	2.5	9.5	1.2	3.0	0.3	10.3	4.6	20.8
2028	68.1	10.8	1.8	1.9	2.5	9.5	1.2	3.0	0.3	10.5	4.7	21.0
2029	68.5	10.8	1.8	1.9	2.6	9.5	1.2	3.0	0.3	10.7	4.7	21.1
2030	69.0	10.9	1.8	1.9	2.6	9.5	1.2	3.0	0.3	10.9	4.7	21.2
2031	69.3	10.9	1.8	1.9	2.6	9.5	1.2	3.0	0.3	11.1	4.7	21.3
2032	69.7	10.9	1.8	1.9	2.7	9.5	1.2	3.0	0.3	11.3	4.8	21.4
2033	69.9	10.9	1.8	1.9	2.7	9.6	1.2	3.0	0.3	11.5	4.8	21.3
2034	70.2	10.9	1.8	1.9	2.7	9.6	1.2	3.0	0.3	11.7	4.8	21.3
2035	70.6	10.9	1.8	1.9	2.7	9.6	1.2	3.0	0.3	11.9	4.8	21.4
2036	71.0	10.9	1.8	1.9	2.8	9.6	1.2	3.0	0.3	12.0	4.9	21.5
2037	71.4	11.0	1.8	1.9	2.8	9.6	1.2	3.0	0.3	12.2	4.9	21.7
2038	71.8	11.0	1.8	1.9	2.8	9.7	1.2	3.1	0.3	12.4	4.9	21.9
2039	72.3	11.0	1.8	1.9	2.8	9.7	1.2	3.1	0.3	12.5	5.0	22.1
2040	72.7	11.0	1.8	1.9	2.8	9.7	1.2	3.1	0.3	12.7	5.0	22.2
2041	73.0	11.0	1.8	1.9	2.8	9.7	1.2	3.1	0.3	12.9	5.0	22.3
2042	73.3	11.0	1.8	1.9	2.9	9.7	1.2	3.1	0.3	13.0	5.0	22.4
2043	73.7	11.0	1.8	2.0	2.9	9.7	1.2	3.1	0.3	13.2	5.1	22.5
2044	74.0	11.1	1.8	2.0	2.9	9.7	1.2	3.1	0.3	13.3	5.1	22.6
2045	74.3	11.1	1.8	2.0	2.9	9.8	1.2	3.1	0.3	13.4	5.1	22.7
2046	74.6	11.1	1.8	2.0	2.9	9.8	1.2	3.1	0.3	13.6	5.1	22.8
2047	74.9	11.1	1.8	2.0	2.9	9.8	1.2	3.1	0.3	13.7	5.2	22.9
2048	75.2	11.1	1.8	2.0	2.9	9.8	1.2	3.1	0.3	13.8	5.2	23.0
2049	75.5	11.1	1.8	2.0	2.9	9.8	1.2	3.1	0.3	14.0	5.2	23.1
2050	75.8	11.2	1.8	2.0	3.0	9.8	1.2	3.1	0.3	14.1	5.3	23.1

Imperial County Economic Forecast

Socioeconomic Indicators

